



**A STUDY OF THE LEVEL OF MOVEMENT AND
CONSUMER PREFERENCE OF DIFFERENT BRANDS
OF TWO-IN-ONES IN VARIOUS PRICE RANGES**

(Conducted for Uptron India Limited)

DISSERTATION SUBMITTED

**IN PARTIAL FULFILMENT OF THE REQUIREMENTS
FOR THE AWARD OF THE DEGREE OF**

Master of Business Administration

BY

Aqeel Akhtar Farooqi

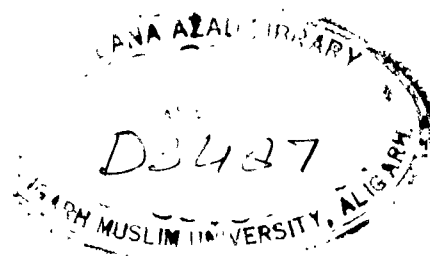
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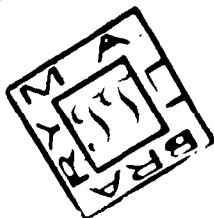
**DEPARTMENT OF BUSINESS ADMINISTRATION
ALIGARH MUSLIM UNIVERSITY
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TO WHOM IT MAY CONCERN

It is certified that Mr Ageel Akhtar Farooqi, student of M.B.A. from Aligarh Muslim University, underwent training from 20th December, 1982 till 20th February, 1983 in our organization.

He had been working on a project entitled "A Study of the level of movement and brand preference of Two-in-ones of different brands and price ranges". He had shown keen interest in the subject during the study and his interaction with various officers of the organization was mentionworthy.

I have no hesitation in awarding an excellent grade for the above mentioned study. I am sure he will prove to be an asset to any organization he works for.

(TIMIR GHOSH)

Asstt Manager (Market Development)

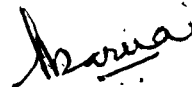
ACKNOWLEDGEMENT

I would like to take this opportunity to convey my heartfelt thanks to all the people who have gone out of their way to help me during the course of this study. Prominent among them are

- Timir Ghosh, Assistant Manager, Market Development, Uptron who guided me throughout the period of study, and was never lacking in friendly advice.

- Mr. Asif Haleem, Reader, Deptt. of Business Administration, AMU. under whose Supervision this study was brought to completion.

- and all the respondents and men of trade whose wealth of knowledge was the foundation upon which I have based my interences. I thank them all.



-AQEEL AKHTAR FAROOQI

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INTRODUCTION

The present work was conducted in Lucknow and is entitled "A STUDY OF THE LEVEL OF MOVEMENT, AND CONSUMER PREFERENCE, OF DIFFERENT BRANDS OF TWO-IN-ONES IN VARIOUS PRICE RANGES".

The basic object of this study was to have an indepth idea of the various competing brands of Two-in-ones currently available in the market, the percentage share of each, their features and their price, to know exactly what sells. This information has been made available to the management of UPTRON, which wishes to go into production and marketing of Two-in-ones. It is hoped that the inferences arrived at, and the suggestions put forward, would be beneficial and of some help in the decision making process.

Chapter I**"THE ORGANISATION"**

The present study was conducted for the Marketing department of UPTRON, during the months of December 1982 - January 1983, in the city of Lucknow. Before proceeding further, here is a brief outline of the organisation itself.

Name of the Organisation: U.P. Electronics Corporation Ltd., (UPTRON)

Address : 10-Ashok Marg
Lucknow 226 001.

Date of Registration : 30th March 1974

Place : Lucknow

History : UPTRON was incorporated in 1974 as a subsidiary of PICUP and was delinked in 1976 to function as an autonomous body with the objective of promoting and developing electronics in the state of U.P. Since then,

✓

it has established industrial growth centres at Panki (Kanpur), Raebareli, NOIDA, Sanibabad, Sarojini Nagar (Lucknow) and hill region etc., besides floating four subsidiaries and five joint sector companies engaged in the manufacture of a wide range of highly sophisticated electronic equipments and components.

Nature of Business: The company is engaged in the manufacture and also of a wide range of electronic products and components. The following is a list of products:

- a) Television receivers
- b) Transister radios
- c) Electrolytic capacitors
- d) Computerised air-reservation system
- e) Temperature scanners
- f) Ground-water well loggers
- g) Radio communication equipment.

Type of Organisation: UPTRON is a Public Limited Company and a Govt. of U.P. undertaking.

Location of Units: The distribution of various units of the organisation is as under ;

- a) 2units in Urban areas
- b) 3units in Rural areas
- c) 1unit in Backward area

Name of Chief Executive : Sri B.K. Rai

Name of Chief Marketing Manager : Sri G.K. Saxena

UPTRON has been contributing in its own way towards innovations and adaptations. Foremost in these fields are the following examples:

Product Improvement: i) UPTRON came up with the first Indian T.V. to incorporate a built in voltage stabilizer.

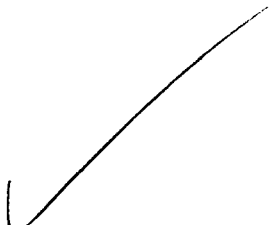
ii) First to introduce a highly sophisticated electronics ground-water well logger (an import substitution item).

iii) Another breakthrough is the development of sequential event Recorder and Data Logging System.

iv) Terminal and data concentrator system for Air-India.

Product Development: UPTRON is presently engaged in the development of Digital Electronics Exchange/Intercom/EPABX, and colour T.V. Receivers.

Quality Control/ : Quality control is exercised at Quality of Service each stage of the manufacturing process, besides burn-in and ageing. For industrial and Digital system products including process control equipment, 100% inspection is also done by the customer. Another aspect of perfection by the company can be seen shortly through introduction of quality control goals for production personnel involved in manufacturing process.



After Sales Service: The company has an established all-India after-sales service network for the entire range of products.

Other aspects of UPTRON can be seen in various other efforts which the company is constantly making.

Foremost among them are as follows:

Use of Local/Indigenous Raw Material : UPTRON is using local or indigenous raw material for the manufacture of most of its products. The value Analysis Division is continuously working on these lines.

Import Substitution: By the progressive use of local or indigenous raw material, UPTRON has achieved a fair degree of import substitution as well as modernisation. Example: introduction of a highly sophisticated Electronics Ground-Water well logger.

Modernisation : This is a continuous process in a bid to update the primitive technology and it has so far been successful in all the fields.
Example: modernised and technologically advanced products in the field of computers and consumer Electronics products.

Home-Delivery System: For the convenience of its customers, UPTRON extends a home-delivery service to wherever or wherever they wish.

Packing/Gift Packing: Proper packing is a part of the trade deal with UPTRON in all of its products. It is believed that packing is a vital element in product offer.

Spot Promotion/Display: UPTRON banners have been displayed on almost all important occasions all over India. There has also been a display of products in all

important exhibitions and trade fairs all over the world. ✓

Advertising

✓ : With the lowest advertising expenditure per rupee value of sales revenue, UPTRON has been able to create an all India brand awareness which is comparable to other leading brands which had a lead of atleast 4 to 5 years.

Distribution Channels: Within a short period of 4 years UPTRON has expanded from a small distribution set-up of approximately 20 dealers to an all India network, comprising of 11 offices and more than 300 dealers, resulting in a ten-fold increase in sales turn-over.

Marketing Research: UPTRON is probably the only T.V. company which has systematically introduced its production after thorough research into consumer buying motivation on a geographically ✓

differentiated basis.

Price Administration: It is a known fact that

UPTRON is synonymous with the "Cost Effective Institution" UPTRON products have the reputation of the best possible quality at the lowest price. Even at this highly competitive price, UPTRON is able to give a very attractive margin to the trade, which is proof of its efficiency in all the areas of Marketing and Production, cost control.

This is not restricted to consumer electronics items only, but also pervades in areas such as computers and components. For example, UPTRON was the pioneer in introducing components at prices comparable to those of un-organised sector, and still give facility and service comparable to the large-scale manufactures like

philips and Ketron, whose products were in some cases, twice as expensive. This has resulted in UPTRON being the price leader in most of the product lines offered by it.

Before rounding up on the organisation itself, let us have a look at its financial standing since the last 3 years;

	1981-82	1980-81	1979-80
a) Total Investment (in lakhs Rs.)	846.45	620.11	278.20
b) Total Turnover (in lacks Rs.)	1712.00	675.65	361.22
c) Break-up of Sales			
i) Rural Market	31%	10%	5%
ii) Urban Market	67.7%	90%	95%
iii) Exports	1.3%	-	-

Chapter II**"THE RESEARCH PROBLEM"**

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The company wishes to go into production and marketing of Tape recorder cum Transistors, commonly known as Two-in-ones. It has already done a study of the technological feasibility and now wants to have an idea of the market for this particular product. The following set of information is required in this respect;

- a) Percentage share of two-on-ones with respect to its closest substitute product viz. Tape recorder.
- b) Yearly demand of Two-in-ones and Tape recorders
- c) Most acceptable selling price for models which have been differentiated into "basic" and "deluxe". This information is needed with a view to support the price fixing by the

company, which has to compete with the prevailing market price.

- d) Determination of the current market leaders in the field of Two-in-ones.
- d) To study the factors which are important for popularising the fast moving brands/models in the market.

In order to obtain the required information it is suggested that primarily, a dealer survey be conducted in the city of Lucknow. They shall be approached with a questionnaire and their responses regarding various aspects of marketing of Two-in-ones, be obtained.

Thus, the statement of the research problem is as follows:

A STUDY OF THE LEVEL OF MOVEMENT, AND CONSUMER PREFERENCE, OF DIFFERENT BRANDS OF TWO-IN-ONES IN VARIOUS PRICE RANGES.

Chapter IIITHE QUESTIONNAIRE

The first step towards solution of the problem in hand, is the basic design of the questionnaire, which is the primary means of obtaining the relevant information. It has to be designed in such a way that the responses of the dealers to each particular question may substantially reveal the information that is required.

As already stated, the following information has to be obtained from the dealers;

1. Sales data to help in:
 - i) Projecting annual demand of Two-in-ones and tape recorders.
 - ii) determining the sales ratio of Two-in-ones and Tape-recorders.

- iii) analysing the market leaders in the field of Two-in-ones on the basis of the most selling brands/models.

2. Most acceptable selling price for

- i) Basic Models
- ii) Deluxe Models

It may be noted here that the demarkation of Two-in-ones into "basic" and "deluxe" models has been done on the basis of their features. The basic models have only the essential features like-

- i) a tape recorder
- ii) a radio receiver

These models are very simple in design and are mostly produced by the unorganised sector, and only cater to the "cheap" segment of the market.

On the other hand, the deluxe models are more advanced and incorporate technologically superior features, like-

- i) Separate controls for bass and treble

- ii) Steep switch
- iii) Tape counter (digital)
- iv) Light Emitting Diodes (LED's) etc.

These models are being produced by the organised sector and include most of the reputed manufacturers.

3. Assigning popularity factors to the market leaders and other fast moving models in terms of
 - i) Price
 - ii) Exclusive features
 - iii) Quality
 - iv) Cosmetics (good looks)
 - v) After sales service
 - vi) Advertising etc.

Incorporating all the above mentioned aspects, the questionnaire designed was as shown under:

Q_U_E_S_T_I_O_N_N_A_I_R_E

1. Name of Respondent - - - - -

2. Address - - - - -
3. What are the main Entertainment Electronics items being dealt by you ? (Please tick)

- i) Television ()
- ii) Two-in-one ()
- iii) Tape recorder ()
- iv) Stereo system ()
- v) Transister radio ()

4. If Two-in-ones and Tape recorders are one of your main sale items, which of them accounts for more sales turnover ?

- i) Two-in-ones ()
- ii) Tape recorders ()

5. How many Two-in-ones/Tape recorders have you sold in the current year 1982 ?

- i) Two-in-ones ()
- ii) Taper recorders ()

6. Kindly give below the break-up of the total sales of your Two-in-ones in basic and deluxe models.

i) Reputed brands like-	<u>Basic</u>	<u>Deluxe</u>
a) Philips	.....	.....
b) Murphy	.....	.....
c) Bush	.....	.....
d) Nelco	.....	.....
e) Weston	.....	.....
f) Televista	.....	.....
ii) Local brands	<u>Basic</u>	<u>Deluxe</u>
a).....	.....	.....
b).....	.....	.....
c).....	.....	.....

7. In your opinion, what is the most acceptable price for Two-in-ones with

i) Basic facilities

- a) Below Rs. 850 ()
- b) Rs. 851 to Rs. 1000 ()
- c) Rs. 1001 to Rs. 1200 ()
- d) Rs. 1200 to Rs. 1300 ()

ii) Special facilities (Deluxe models)

- a) Rs. 1000 to Rs. 1300 ()
- b) Rs. 1301 to Rs. 1600 ()
- c) Rs. 1601 to Rs. 1800 ()
- d) Rs. 1801 to Rs. 2000 ()
- e) Above Rs. 2000 ()

8. Which, according to you, is the most popular model in the brands listed below:

<u>Brand</u>	<u>Model</u>	<u>Retail Price</u>
a) Philips
b) Murphy
c) Bush
d) Nelco
e) Weston
f) Televista
g)
h)

9. Which of the underlisted factors do you think are responsible for its popularity ?

- i) Price ()
- ii) Exclusive features ()
- iii) Good looks ()
- iv) Good quality ()
- v) Excellent after sales service .. ()
- vi) Advertisement ()

Chapter IV"THE SURVEY SAMPLE"
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The survey sample has to be chosen from among the operating dealers of Entertainment Electronics items in the city of Lucknow. At present, there are about forty (40) dealers representative of small, medium and large sized ones. They are distributed all over the city, but the most concentration is seen in the market centres of electronics goods.

Sample-Size A total of eighteen (18) standard dealers distributed all over the city.

Sample distribution: The following is the area wise distribution of the sample.

- a) Janpath. This is the most fashionable shopping centre of Lucknow. It is an underground market and houses the most exclusive shops of consumer commodities. It has four (4)

large dealers of electronics goods, and all of them formed part of the survey sample.

- b) Bisheshar Nath Road- This is a market which houses about twelve to fifteen dealers of electronic items, but the majority is composed of small dealers. From this centre, the total number of respondents chosen were three large dealers.
- c) Lalbagh- This is a market of electronics items and houses some very standard dealers. It is adjacent to the Hazratganj area and a lot of shopping is done here. The number of respondents chosen from here are four standard dealers.
- d) Naka Hindola- This is the most busy and bustling market for electronic goods. It houses around

twenty dealers but most of them are small and cater to the lower income group of consumers. The standard dealers contacted here were five in number.

Chapter V

"THE SURVEY"
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Before going out into the market and actually contacting the men in the trade, it is necessary to have an idea of the condition of the market, the relevant industry and the other factors that are important for the market researcher. Therefore the survey has been divided into the following ;

- 1) Desk Research
- 2) Market Research/Dealer survey through questionnaire
- 3) Informal discussions with men connected with the trade.

1. Desk Research: The main consideration in this respect is to have an idea of the relevant industry. Based on the field survey reports, it was found that the total

production of Two-in-ones and Tape-recorders in India between January and December 1982 was estimated to be approximately 1.1 million numbers. This estimate takes into account both the organised and small-scale sector. The average growth rate of the industry is around 5-6%.

The share in production is around 80 percent for Tape-recorders and 20 percent for Two-in-ones. Furthermore, the Tape-recorder production met about 60-70 percent of the total demand whereas Two-in-one production has met around 40 percent of the total demand for the product.



The most selling brand is Bush, followed by Philips. Other important selling brands are Weston, Nelco, Murphy, Televista Crown etc. in the organised sector.

The actual demand in 1982 for Tape-recorders was around 1.35 million numbers, and that of Two-in-ones was around .55 million numbers. Considering the industry growth rate to remain at 5 percent, the projected demand figure for 1983 (January to December) is around 2 million numbers.

It is also observed that there has been a shift in buyer behavioral pattern as far as Two-in-ones and Tape-recorders are concerned. Reference for Two-in-ones is on an increasing trend while that of Tape-recorders is decreasing.

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2. Dealer Survey Through Questionnaire: Standard

dealers of Entertainment Electronic items were contacted in the various market centres of Lucknow. They

were approached with a questionnaire and their responses regarding various aspects of sales of Two-in-ones were noted down. The data thus obtained was tabulated and on the basis of comparative analysis, observations were made regarding the following;

- (i) Demand of Two-in-ones in Lucknow
- (ii) Sales ratio of Two-in-ones and Tape-recorders
- (iii) Most acceptable selling price, range for Two-in-ones in Basic and Deluxe models.
- (iv) Ranking of different brands of Two-in-ones in terms of Consumer Preference
- (v) Determining price range of all the fast moving models of Two-in-ones
- (vi) Attributing popularity factors

to the most preferred brands in terms of Price, Quality, Exclusive features, Cosmetics, Advertisement, Brand Image etc.

Tabulation of Data: The data which was obtained from dealers by means of the questionnaire has been tabulated on a question-wise basis, so as to facilitate reference.

3. **Observation Based on Discussions:** Apart from the responses to the queries in the questionnaire, the dealers and other men who are connected with the trade, gave their views and opinions about other aspects of the market of Two-in-ones. They have been classified as follows;

a) In the year 1981, the sales ratio of Two-in-ones and Tape recorders was about 30:70, which has changed to approximately 40:60

in 1982. This is on a changing pattern and in 1983 it is expected to stand at about 50:50.

b) Deluxe models are more preferred as compared to basic models.

c) The manufacturers tend to glut the market by resorting to an increase in retail outlets. This leads to competitive selling and consequent undercutting in dealers margin. The preference for the product which is displayed at every outlet goes down and the consumers tend to start looking for the "exclusive" product - one which has a few standard dealers. In this respect, the dealers policy of Philips was praised because Philips is the only manufacture which has exclusive dealers.

d) Advertisement support is found to be non-existent or negligible. This is a factor which all the dealers and shopkeepers feel is lacking. Initially there was much promotion through visual and audio-visual publicity, but now it has been reduced drastically. Advertisement support is maximum for Weston, followed by Bush and Philips., in the present context.

e) Dealers margin is fixed by the manufacturer at around 30 percent, but the actual reduces to about 7-10 percent. The dealers feel that it would be better in the interests of the manufacturer and the retailer if the retail price was fixed by the manufacturer. This would prevent the under-selling and under cutting of trade margin.

f) The factors responsible for motivating a dealer for pushing a particular brand, in order of preference, is as follows:

- (i) Customer demand
- (ii) Personal terms with manufacturer
- (iii) Quality of the product
- (iv) Higher promotion of the brand
- (v) Incentives and Bonus offered by
the company
- (vi) Payment terms.

Sl.No.	Name & Address of Respondent	No.of Sales per year	Most acceptable price range	Most popular model/brand	Popularity Factors	
		Tape Recorder	Two-in-one	Basic Model	Deluxe Model	
1.	Sonu Electronics B.N. Road,	60	40	100-1200	1600-1800	Weston RCR-200 Price,After Sales Service,Quality, Cosmetics
2.	Surendra Electronics	100	70	1000-1200	1800-2000	Bush MRK 5200 Advertisement, Price,Quality,features
3.	Arora Radios B.N. Road	60	40	1000-1200	1800-2000	Philips 15AR-197 Quality,Brand Image, Features
4.	Doordarshan Agencies Janpath Basement	180	120	1000-1200	1600-1800	Bush MRK-5200 Quality,Price features,Brand Image
5.	Eastern Radios Opp.Charbagh	240	180	1000-1200	1600-1800	Philips 15Ar- 197 Quality,Price, Arter Sales Service
6.	Jain Electronics Janpath Basement	100	60	1000-1200	1800-2000	Philips Price,Quality, After sales Service Features

contd.....

Sl.No.	Name & Address of Respondent	No. of Sales per year		Most acceptable price range		Most popular model/brand		Popularity Factors
		Taper Recorder	Two-in- One	Basic Model	Deluxe Model			
7.	Jaysons Electronics Naka Hindola	120	60	850-1000	1600-1800	Bush		
8.	New Sindh Electricals Naka Hindola	120	60	1000-1200	1800-2000	Weston RCR-080		Quality, Price. Service
9.	K.K. Radios Naka Hindola	180	120	1000-1200	1800-2000	Philips		Quality, Brand Image
10.	Chhabra Radios Nama Hindola	120	60	850-1000	1600-1800	Bush		Price, Quality, Service
11.	Sangam Electricals Lalbagh	180	120	850-1000	1600-1800	Bush		Price, Quality, Service
12.	Union Radio House Lalbagh	240	180	850-1000	1600-1800	Nelco XDK-5021 Unitron		Price, Quality, Cosmetics (imported kit assembly)

contd.....

S. No.	Name & Address of Respondent	No. of Sales per year		Most acceptable price range		Most popular model/brand	Popularity factors
		Paperecor- der	Two-in- One	Basic Model	Deluxe Model		
13.	Jolly Radios Lalbagh	100	60	850-1000	1600-1800	Weston RCR-200	Quality, Price, After Sales Service.
14.	Sadana Electronics Janpath Basement	120	75	1000-1200	1800-2000	Bush MRD-5200	Price, Quality, features, After sales service Cosmetics
15.	Sadana Electronics Alambagh	180	120	850-1000	1800-2000	Bush MRK-5200	Price, Brand Image, Quality
16.	Laxmi Agencies Naka Hindola	180	120	850-1000	1600-1800	Weston RCR-080	Price, Quality, After Sales Service
17.	Devi Radiograms Hazaratganj	96	60	850-100	1600-1800	Bush MRK-5200 Weston RCR-080	Price, Quality Features
18.	King Electronics Janpath	100	50	100-1200	1600-1800	Bush MRK-5200 Clairex 8800	Quality, Features Price.

Chapter VI"THE DATA ANALYSIS"

The next step that we have to take after obtaining all the relevant data is to assimilate it in a coherent manner and on the basis of analysis, chart out the required and logical decisions that should be taken.

In the case of this dealer survey, there have been, apart from the responses in the questionnaire, discussions with men connected with the trade and who had a wealth of knowledge to contribute. Their views and opinions are as much a matter of importance as those of the dealers who have a direct contact with consumers and consequently attain a first-hand information which is of such vital importance to the market researcher.

The data analysis has been done in a step-wise manner. Firstly, observation have been made by taking into account the responses of dealers to the questionnaire.

Secondly, the discussions with other men connected with the relevant industry and trade have also been taken into account.

Observation based on dealer survey:

The following are the observations on the basis of responses by the dealers:

- i) Nearly all the dealers of Entertainment Electronic items in Lucknow are selling both Two-in-ones and Tape-recorders of 4 or 5 different brands. In this respect it may be added that the break-up of brands is such that the dealers display almost proportionate number of models of both the organised and small. Scale sector. In some cases the "cheap" sets produced by the un-organised sector are also displayed but are usually sold off to the customer who is out to look for a cheap set.

ii) All the dealers who were contacted gave the information that the sales of Two-in-ones are comparatively lower than those of Tape-recorders. The sales ratio is presently 40:60, but the sales of Two-in-ones are showing an upward trend and it is expected that in the coming year, they shall attain a major share of the industry. Presently, the reasons assigned to the higher sale of Tape-recorders is their easy availability and a comparatively lower price.

iii) Considering that the average dealer sells 8-10 Two-in-ones per month, it can be inferred that the demand for this product is wholesome and there is scope for market entry of a new product.

iv) As far as the most acceptable price range of Two-in-ones having basic

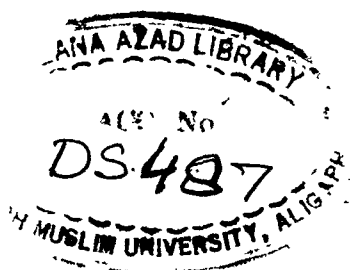
features is concerned, the following observations have been made:

- a) 44% of the respondents suggested the price range of Rs. 850 - Rs.1000.
- b) 66% of the respondents suggested the price range of Rs. 1000-Rs.1200.

Therefore, the ideal selling price, which the consumers are willing to pay for a Two-in-one with basic features should be between Rs. 1000 and Rs. 1200.

v) For the determination of the most acceptable price-range for Two-in-ones having deluxe features, the following observations have been taken into account.

- a) 55.5% of the dealers suggested that the ideal selling price would be Rs. 1600 - Rs. 1800.
- b) 44.5% of the dealers suggested that the ideal selling price should be between Rs. 1800- Rs. 2000.



Therefore, the suggested ideal price for a Two-in-one having deluxe features can be between Rs. 1600-Rs.1800.

vi) All the dealers were questioned with respect to the market leaders in the field of Two-in-ones. The following observations are made in this regard.

- a) Majority of the respondents stated that Bush models are ranked first in terms of sales and consumer preference.
- b) In terms of consumer preference the Weston models are ranked second, on the basis of their relatively more acceptable price as compared to those of Philips.
- c) In terms of quality, the models of Philips are ranked highest, but they do not sell in the same numbers as Bush, because of

a substantial price difference. The Philips models are presently the highest priced in the market.

vii) Dealers were also asked to assign the reasons for the popularity of different brands of Two-in-Ones currently available in the market. Based on their responses the following observations have been made:

a) BUSH..... This brand of Two-in-Ones has attained consumer preference on the basis of;

Reasonable price

Brand awareness

Good quality

Adequate promotion

b) WESTON This brand of Two-in-Ones are popular on the basis of;

Brand image

After sales service and foot-proof guarantees (replacement of defective sets)

Affordable prices

c) PHILIPS The following factors are assigned to the different models of Two-in-ones of the brand;

Brand Image, which exceeds that of any other brand

Customer preference in terms of long-life expectancy from the product

Higher price range attracts the higher income groups of consumers.

viii) Apart from these three reputed brands of Two-in-ones, the other competing and well known brands which are available in the market are as listed below:

Murphy

Nelco

Televista

Crown

Conic

Cony

Sensor

The small scale and unorganised sector produces and markets the following brands:

Meritone

Challenge

Pioneer

Akai (local)

National (local)

Riviera

These sets are produced for the lower income group of consumers and broadly fall in the price range of Rs. 550 - Rs. 850.

ix) Further information was provided by dealers regarding the market trend and buyer behaviour

a) The middle and upper middle income group of consumers prefer the reputed brands of two-in-ones. They are having some knowledge about the product and are motivated by brand

and quality factors.

- b) The lower income, groups constituting mainly of illiterate consumers, do not have brand preferences but are cued by the price factor. This segment of the market consists of pan-wallahs, roadside tea-stall owners and villagers.
- c) Sales of Two-on-ones of local and cheap brands are seen to increase during the harvest season, when the rural customer comes to town.

Chapter VII"THE SUGGESTIONS"

Based upon the practical study and analysis of data, the company has been given suggestions which the management might incorporate in its decision-making process. As has already been stated, the technological feasibility report has been submitted earlier on but that is beyond the purview of this research. In this study various marketing aspects have been taken care of and suggestions regarding these shall be taken up in a step-wise manner.

1. Market Feasibility: Since there has been a recent shift of preference towards Two-in-ones the demand for this product has increased and is expected to increase further. Consequently, it is advisable that a new differentiated model of Two-in-one be launched by UPTRON.

Further, it is seen that the industry has not been able to match supply with demand. This gap can very profitably be filled by UPTRON, which is the pioneering electronic manufacturer in the state.

2. Product Features: As regards the product features that are acceptable to the consumers and should be included are;

a) An exclusive cabinet, preferably imported to give the product a cosmetic appeal. This feature is of prime importance and most of the fast moving brands have this feature. According to the respondents, the good looks of the product motivate buying behaviour to a very large extent.

b) Quality of the components should be of a high standard. The most common complaint in the existing brands which have a cosmetic appeal, is that the quality of the components is not matched with the looks of the product. Consequently the reputation of the product would be at stake if the components were not of a very high quality.

c) Product modification should be done to give it a differentiated look. For a new product backed by the well known name of UPTRON, it is suggested that the conventional black colour may be replaced by the "all-metallic" look, and the size be made of more portable specifications.

3. Operative Features: There are not many innovations that the existing technology can

afford to incorporate in such a price-elastic product as a Two-in-one, but considering the possibilities, the following operative features should be included in a deluxe model;

a) Cue system or Fast Forward and Rewind, that allows the "play" switch to be engaged even while the FF/REW buttons are being pressed. This feature is included in all the imported sets and most of the fast-moving Indian models.

b) Other regular features like auto-stop, tape-counter, condensed microphone, and pause-switch to be included.

c) A stereo output and double speakers with an auxiliary output for external amplifier is the

factor that would differentiate the product from the commonly available models.

d) A 3-band radio is more preferable than a 2-band one.

4. Pricing

: Price of the product should lie be in the range of Rs. 1600 to Rs. 1800. This is the price range which would help in attaining a sizeable market share from competing brands like Bush, Weston, Philips which roughly lie in the price range of Rs. 1600 to Rs. 2200.


5. Dealer Policy:

Most manufacturers allow a trade margin of 30% to their dealers, but due to competition and undercutting, the effective margin is reduced to 7% to 10%.


In this regard, the following suggestions are being put forward so as to have an effective dealers policy;

a) Only selected dealers be chosen as retail outlets. They should be distributed in such a way that concentration is avoided in particular centers, to avoid competitive selling and consequent undercutting in retail prices.

b) If there is a variation in retail price of the product due to undercutting at various retail outlets, its image and reputation suffers. Therefore it is most important that price standardisation be enforced at all retail outlets.

6.  Quality Control: UPTRON enjoys a very good reputation as far as quality of its

products is concerned. This has been achieved through strict quality control at all levels in the Television and Capacitors factories. Therefore it is suggested that a similar standard be maintained for the Two-in-one production.

7.  After Sales Service: This is a factor which is most important as far as post-purchase satisfaction is concerned. And this is the area where not satisfied with the manufacturers. With the exception of Weston, all the other brands of Two-in-ones do not have a very high standard of after-sales service.

In this regard, the following suggestions are being put forward for management's consideration;

a) Ensure a strict guarantee period. In most of the brands, a period of one year is given as guarantee. On the basis of good quality control, UPTRON can increase this guarantee period by six months. All defects arising in the product during this period be dealt with promptly.

b) Prompt replacement of sets that show any major manufacturing defect or

c) Money-back guarantee, if the customer is not satisfied

8. Promotion:



Promotion of the product should be done heavily in order to create awareness about the product. There is a fair degree of Brand Awareness among consumers and UPTRON also enjoys a good brand

image on the basis of its good quality T.V. sets which are currently the lowest priced in the market.

The "cost-effective institution" image is very important for promotion of Two-in-ones, which is a price-elastic product. According to dealers, the customers tends to choose that brand which has a good image and is also of a comparatively lower price. This is the reason why Bush sells more than any other brand of Two-in-ones.